

June 6, 2011, MB#52

Regular Session, June 6, 2011, 9:30 a.m.
Catawba County Board of Commissioners

ABC Board

Approval of Travel Policy 122 06/06/11

Appointments

Juvenile Crime Prevention Council 121 06/06/11

Mental Health Partners Board of Directors 121 06/06/11

Awards

Spirit Award to Ned Jarrett 120 06/06/11

Budget

Approval of FY2011/12 Budget 125 06/06/11

Catawba County Schools

Budget transfer for expansion of Transportation Office 121 06/06/11

Closed Session

Personnel Matters 136 06/06/11

Economic Development Corporation

Incentives for Dalco Nonwovens 134 06/06/11

Finance

Budget transfer for Catawba County Schools – Expansion of Transportation
Office 121 06/06/11

Ordinance

FY2011/12 Budget Ordinance 125 06/06/11

Public Comments for Items Not on the Agenda

Jim Starkie – Stand Down for Homeless Veterans 120 06/06/11

Resolution

Authority for Assignment of Bid by Catawba County (foreclosure sale) 135 06/06/11

Tax

Authority for Assignment of Bid by Catawba County on a foreclosure sale 135 06/06/11

The Catawba County Board of Commissioners met in regular session on Monday, June 6, 2011 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan Hunsucker, Barbara Beatty and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Commissioner Dan Hunsucker led the Pledge of Allegiance to the Flag.
3. Commissioner Barbara G. Beatty offered the invocation.
4. Vice-Chair Lynn M. Lail made a motion to approve the minutes of the Regular Meeting of May 16, 2011. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed all present.
6. Public Comments for Items Not on the Agenda:
Mr. Jim Starkie, Volunteer Service Officer and Senior Vice-President of the Disabled American Veterans Post 34, informed the Board of efforts, through the Homeless Veteran Program for the Hickory area (currently encompassing four counties with anticipation of adding three more counties), to organize a "Stand Down" for these veterans. The event would bring these homeless veterans together to socialize and receive food, clothing and medical/dental/hygiene care, and inform them of the community services available to them.
7. Presentation:
All Board members joined Chair Barnes to present its highest honor, the Catawba County Spirit Award, to Mr. Ned Jarrett in recognition of his having been inducted into the NASCAR Hall of Fame on May 23 and for his commitment to the support and betterment of the community. Mr. Jarrett said he deeply appreciated the award and added that it had been an honor to live in Catawba County for the majority of his life. The award read:

Ned Jarrett

The Catawba County Golden Nugget is awarded by the Catawba County Board of Commissioners to persons who have displayed that unique "Catawba County Spirit" – goodness, valor, creativity, benevolence, compassion, patriotism and a high order of service to Catawba County, North Carolina and/or the Nation.

Catawba County is located in one of the largest gold producing areas in the entire country. The largest reported nugget found at the Shuford Gold Mine in Catawba County was a honeycombed nugget about one-half inch thick and about three-inches long. The Board of Commissioners chose the golden nugget because of the County's history and its relevance to the word "spirit". These are: *Gold*, something regarded as having great value or goodness – a heart of gold; *Golden*, lustrous radiant, resplendent – the Golden Sun, of the greatest value or importance, precious – marked by peace, prosperity, and often creativeness; and, the *Golden Rule*, the maxim or teaching that one should behave toward others as one would have others behave toward oneself.

From his first race fifty-nine years ago at Hickory Motor Speedway's inaugural event, Ned Jarrett has made his mark on racing – one of consistency, aggression tempered with commitment to fair competition, and gentility. In the fourteen years he devoted to driving, Ned Jarrett amassed two NASCAR Premier Series championships, two Sportsman Division championships and 50 Premier Series wins, all accomplished with the graciousness that so fittingly christened him "Gentleman Ned". But leaving the driver's seat did not end his impact on the sport; for the next forty-three years, Ned Jarrett was the voice of racing in his award winning role as a television and radio broadcaster. While his driving ability and calm demeanor shaped the sport of racing on the track, his voice, broadcasting ability and commentating style brought growth to the sport's fan base.

Appropriately, Ned Jarrett's lifelong contributions to the quality, evolution and popularity of the racing industry were recognized on May 23, 2011 with his induction into the NASCAR Hall of Fame.

Throughout his years in the racing world, Ned Jarrett has remained steadfastly committed to home and family. He has given limitless hours to numerous community efforts including his role as Honorary Chairman of both the Greater Hickory Classic Golf Tournament and the Mental Health Fund Capital Campaign, speaker at the Annual Conference of the North Carolina Association of County Commissioners and as an active volunteer and supporter of the Palliative Care Center & Hospice of Catawba Valley. These organizations and events have come away better for his involvement and input. He has been selfless and generous with both his time and resources and reflects the highest standard by which any true commitment to others should be measured.

Ned Jarrett is one of the select few to receive the Catawba County Spirit Award since its inception in 1998. The manner in which he has conducted his life and career exemplifies the truest meaning and spirit of Catawba County's highest honor.

8. Appointments:

Commissioner Randy Isenhower recommended the reappointment of Ronn Abernathy and Jennie Connor for fifth terms, Brandi Tolbert for a fourth term and Valaree Adams, David Eckard, John Eller, Jennifer Mace, Andrew Jennings and Dr. Glenn Pickney for second terms on the Juvenile Crime Prevention Council. These terms will expire June 30, 2013. Commissioner Isenhower also recommended the reappointment of Joseph Beaman and Cynthia Houser for second terms and Dr. Amy Wood for a first term on the Mental Health Partners Board of Directors. These terms will expire June 30, 2014.

These recommendations came in the form of a motion, which carried unanimously.

9. Consent Agenda:

County Manager J. Thomas Lundy presented the following two items on the consent agenda:

a. A request from the Catawba County Schools for the transfer of \$25,000 remaining in the budget for a completed storage facility to a new project to build a needed expansion to the system's Transportation Office. The Catawba County Schools Transportation Department has assumed routing responsibility for the other two school systems over the past two years. Consolidating the routing of buses saves money through more efficient scheduling. While the County Schools has provided the actual transportation, each school system had been doing its own routing. In order to provide this service, additional office space is needed for personnel assigned to the Transportation Information Management System routing for buses. These funds will be used to expand the existing office space from roughly 8 x 8 square feet to 14 x 14 square feet and add handicap ramps. The County Schools has requested to use funds remaining in a Storage Facility Maintenance Project to fund this office expansion. The County funded \$180,000 in Fiscal Year 2009/10 to purchase and set up a metal storage building for Catawba County Schools Maintenance. The system was able to obtain a less expensive structure and save money on the project by having in-house staff perform the set-up and electrical work. The following appropriations apply:

Schools Capital Projects

Storage Facility - Maintenance 420-750100-863200-31150-3-22
\$25,000

Transportation Office Expansion 420-750100-863200-31150-3-25
\$25,000

b. A request for Board approval of the Travel Policy for the Alcoholic Beverage Control Board. The Catawba County Alcoholic Beverage Control (ABC) Board has requested that the Board of Commissioners approve the ABC Board's Travel Policy, which has been approved by the Catawba County ABC Board. The North Carolina Alcoholic Beverage Control Commission now requires that the Catawba County Alcoholic Beverage Control Board provide proof that its appointing authority has approved its travel policy. The ABC Board developed its policy after reviewing the County Code and a review of the proposed policy shows it very closely mirrors that of the County's. The following policy applies:

Catawba County Alcoholic Beverage Control Board
ABC POLICY AND PROCEDURE MANUAL

TRAVEL POLICY FOR EMPLOYEES AND BOARD MEMBERS

Purpose.

(a) The intent of this article is to make uniform provision for payment or reimbursement of necessary expenses of Catawba County ABC Board employees and board members who are required to travel within or without the county boundaries in the performance of their duties and in the interest of board affairs.

(b) It is the board's intent to allow adequate, comfortable accommodations for employees or board members who are required to travel on ABC board business. It is expected that employees or board members will use discretion and good judgment in spending ABC funds. Use of first class sections of airplanes is prohibited unless prior approval by the general manager is obtained. Resort hotels, luxury restaurants, and items of like nature are usually considered to be in excess of normal business needs and are not acceptable under this article. Employees and board members will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience. Each employee is expected to be familiar with and abide by this policy, and willful violations may result in disciplinary action, including possible dismissal.

Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Authorizing party means the individual authorized by the general manager or the board chair to approve or disapprove travel requests and travel reimbursement requests.

Mileage allowance means the amount to be reimbursed to an employee for use of a privately owned vehicle, which is based on actual miles driven. The amount reimbursed per mile will be reviewed each time a per-mile rate increase is authorized by the Internal Revenue Service. The general manager or board chair may approve estimated mileage when odometer readings are available.

Necessary expense means all reasonable charges incurred by an employee or board member caused by travel in the interest of the board, including transportation, lodging, meals, and related incidental expenses. It does not include fines, illegal expenses, laundry charges, or similar personal expense.

Requesting party means the employee or board member who will be reimbursed for travel costs incurred while conducting board business.

Subsistence means costs incurred during travel for lodging and meals, including tips.

Transportation means costs incurred for travel by automobile, taxi, rental car, bus, train or plane. It includes tolls, parking fees, and tips for the handling of baggage.

Travel means going from the normal job location to conduct board business in another location and returning to the workplace.

Travel expense form means a form provided for the traveler to fill out upon the completion of a specific trip, within ten days after the travel period ends, for which the reimbursement is being requested. It should list all mileage, private or public transportation, lodging, meals and other expenses which are reimbursable. Receipts for lodging, commercial travel, meals and other expenses are required.

Cross references: Definitions generally

Guidelines.

The following guidelines shall be used for the purposes of this article:

(1) Travel authorization and types of travel. Guidelines for travel authorization and types of travel are as follows:

a. Responsibility. The general manager is responsible for the administration of this article, except for travel or expenses not covered by this policy. The approving authority for this exception is the board chair.

b. Authorization. Authorization of travel requests will be based upon need and cost/benefit of travel as determined by the authorizing party.

c. Special local travel. Employees who, in the interest of the board and with general manager approval, travel to conferences and meetings within the county may be reimbursed for the following:

1. Transportation cost.

2. Meals, subject to suggested maximum reimbursement rates that are a part of the travel meetings.

3. Necessary incidental expenses.

d. Travel outside county. Approved travel expenses outside the county for board purposes in the best interest of the board, for training, conferences, professional meetings, work assignments, and the like, may be reimbursed, to the limits of the policy, for the following:

1. Transportation cost.

2. Meals, subject to suggested maximum reimbursement rates.

3. Lodging.

4. Necessary incidental costs.

e. Extraordinary travel or cost. For travel not covered by this article or where the actual necessary cost exceeds the maximum reimbursement allowed and the travel is in the best interest of the board, the general manager may approve the reimbursement of actual cost beyond the maximum stated in this article. Prior approval must be obtained and, if granted, documented and attached to the actual travel receipt. These cases should be rare.

f. Travel advances. Travel advances are not allowed.

(2) Procedure, arrangements, accommodations, and vehicle allowance. The procedure, arrangements, accommodations, and vehicle allowance shall be in accordance with the following:

a. All arrangements for travel must be approved by the authorizing party. The requesting party is encouraged to reserve transportation and lodging in advance, when possible.

b. The requesting party is encouraged to travel with other employees and board members when possible. The requesting party will be reimbursed for actual costs incurred only, subject to the suggested guidelines established.

Transportation.

(a) Reimbursement costs. All necessary transportation used pursuant to this article will be obtained at the most economical rate available. Reimbursements will be made for actual costs that are incurred and receipt supported. The cost of travel from the point of departure (normal job location or the personal residence) to the trip's end (normal job location or the personal residence) is a reimbursable cost. This includes the cost of taxi service and parking fees.

(b) Vehicles. Use of vehicles shall be in accordance with the following:

(1) Personal automobile. A requesting party may use his personal automobile for travel and be reimbursed at the approved rate.

(2) Board vehicles. Board automobiles may be used for any authorized travel. The requesting party must obey all laws of the jurisdiction in which the automobile will be used for the purpose of conducting board business only. A minimal amount of personal use is allowed, such as driving the automobile to and from lunch or dinner. Spouses and children of employees may accompany them in board-owned vehicles if space is available and the trip is strictly for official board business.

(3) Rental vehicles. A rental vehicle will be used when it is determined that no other mode of transportation is as economical or practical. A rental automobile should be used for business purposes only. A minimal amount of personal use, such as driving to and from dinner, will be permitted. Use of a rental automobile must be approved in advance.

(c) Local transportation. Local transportation costs incurred while on out-of-town business will be reimbursed. The most economical and reasonable form of transportation will be used. Receipts will be obtained, when possible, and submitted with travel reimbursement requests.

Subsistence.

(a) Lodging. Subject to the restrictions noted in subsection (c) of this section, lodging costs for employees under this article will be reimbursed at the actual amount incurred. Receipts for lodging costs must be submitted with the travel voucher. The lodging rate is limited to the lowest available single-room rate when an employee is traveling with his spouse and children.

(b) Meals. Meals shall be reimbursed as follows:

(1) Subject to the restrictions noted in subsection (c) of this section, three meals will be reimbursed at actual cost.

(2) Meals served as part of a convention or conference will be reimbursed at actual cost. Documentation of actual cost must be attached to the travel voucher when requesting reimbursement.

(c) Lodging and meals. Lodging and meals shall be reimbursed as follows:

(1) Guidelines for reimbursement rates for a 24-hour period for travel within this state are as follows:

a. Breakfast: \$7.00.

b. Lunch: \$10.00.

c. Dinner: \$18.00.

d. Reserved.

e. Lodging: conference rates.

(2) Tips and taxes are considered to be included in the meal rates in subsection (c)(1).

(3) Employees must obtain actual meal receipts in order to be reimbursed. If there is no receipt, no reimbursement will be paid. The reimbursement rates for travel may be waived by the authorizing party, when actual meal costs for the locations involved exceed the suggested maximums.

(4) The lodging will be reimbursed at the conference rates.

(d) Other costs. Other costs shall be reimbursed as follows:

(1) Long distance personal telephone calls are not reimbursable. Phone calls for official board business are reimbursable expenses.

- (2) Receipt-supported registration fees for a conference or convention will be reimbursed.
- (3) Movies, including pay TV movies, theater tickets, tours, and all other forms of entertainment, are not reimbursable.
- (4) Alcoholic beverages are not reimbursable.

Reimbursement procedures.

(a) Submitting expense reports. Expense reports for travel conducted pursuant to this article shall be submitted in accordance with the following:

(1) A requesting party will complete a travel voucher and attach receipts for expenses as required and submit it to the authorizing party no later than ten working days after returning from travel.

(2) A requesting party submitting a falsified travel voucher will be subject to disciplinary action. The authorizing party or finance director who approves a travel voucher which he knows to be false will be subject to disciplinary action.

(b) Approval and processing of reimbursement requests. The procedure for approval and processing of reimbursement requests is as follows:

(1) A travel voucher will be submitted to the authorizing party for approval. After the approval by the authorizing party, the travel voucher should be forwarded to the finance department.

(2) The finance department will determine that the travel voucher has been properly approved, that it is mathematically correct, and that requested reimbursements agree to submitted receipts and are within the limits set by this article. If an error in the reimbursement request is found, the requesting party will be informed and the error will be corrected before payment is made.

Revised February 16, 2010

Vice-Chair Lail made a motion to approve the consent agenda. The motion carried unanimously.

10. Other Items of Business:

Adoption of the Catawba County Annual Budget for Fiscal year 2011-12:

Chair Barnes noted the Board had meet with County departments and outside agencies last week and also held a public hearing on June 2, 2011 on the proposed budget and made a number of adjustments based on those meetings. She then asked Mr. Lundy if there was anything that should be added to those adjustment. Mr. Lundy indicated no further adjustments and the decisions made by the Board were reflected in the current proposed budget and added \$93,708 – for contingency money to redact personal information; Register of Deeds; Historical Association and Cooperative Extension. He noted the Budget Ordinance is the actual document the Board adopts because that sets the tax rate. Chair Barnes noted the proposed budget was 2.81% lower than the current year's budget and set the tax rate at \$0.53 per \$100 assessed value. Commissioner Hunsucker made a motion to approved the proposed FY2011/12 Budget. The motion carried unanimously.

BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of Catawba County:

SECTION I

Budget Adoption, 2011/12

The following budget with anticipated fund revenues of \$196,814,846 and departmental expenditures of \$196,814,846 (see pages 18 through 23) of the budget document for breakdown) is hereby adopted in accordance with G.S. 159 by the County of Catawba for the fiscal year beginning July 1st, 2011, and ending June 30th, 2012, and the same is adopted by fund and department.

The following procedures, controls, and authorities shall apply to transfers and adjustments within the budget except for the budgets of the Reinventing Departments as shown in Section II.

A. **Transfers Between Funds:** Transfers of appropriations between funds may be made only by the Board of Commissioners with the exception of merit, reclassification funds, and contingency which the County Manager has the authority to transfer.

B. **Transfers Between Departments:** Transfers of appropriations between departments in a fund and from contingency shall be approved by the Board of Commissioners or may be approved by the County Manager in conformance with the following guidelines:

1. The County Manager finds that they are consistent with operational needs and any Board approved goals.
2. Inter-department transfers do not exceed \$50,000 in total.
3. Transfers from Contingency appropriations do not exceed \$50,000 each unless the County Manager finds an emergency exists.
4. All transfers between departments and funds are reported to the Board of Commissioners no later than its next regular meeting following the date of the transfer.

C. **Transfers within Departments and Activities:** Department Heads may transfer line item appropriations between activities within the departments under their jurisdiction with the approval of the Budget Manager.

D. **Transfers within Activities in a Department:** Department Heads are hereby authorized to transfer line item appropriations within activities under their jurisdiction with the approval of the Budget Manager.

E. **Transfers of Appropriations from Contingency or Departments for Real Estate Transactions:** Transfers of appropriations from Contingency or departments may be made by the County Manager in order to secure options, pay deposits, or pay other necessary expenses related to real estate transactions approved by the Board of Commissioners.

F. **Transfers of Capital Projects Appropriations:** Transfers of appropriations up to \$50,000 between projects within a capital project fund shall be approved by the County Manager. All manager approved transfers shall be reported to the Board of Commissioners no later than its next regular meeting.

G. **Transfers of Appropriations from Special Departmental Expense and Revenue Contingencies:** Transfers of appropriations may be made by the Budget

Manager from special departmental expense and revenue contingency accounts that have been set aside to accommodate mid-year adjustments for allocations from outside agencies. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item.

SECTION II

Amendment to Procedures, Controls, and Authorities for Reinventing Departments

The following procedures, controls, and authorities shall apply to transfers, personnel, and adjustments within the budget for the Reinventing Departments, as determined by the County Manager:

A. As part of this process, the County's fund balance has been maintained by taking into account the average amount of unexpended funds turned back at the end of each year and making a onetime reduction in each Reinventing Department's allotment by that amount.

B. The Board of Commissioners will appropriate funds for the Reinventing Departments based on approved outcomes to be achieved during the fiscal year.

C. Department Heads are hereby authorized to transfer appropriations between activities or from special department contingencies under their jurisdiction with the approval of the Budget Manager. Requests for transfers from the General Fund contingency must be approved by the County Manager. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item.

D. Department Heads within the Reinventing Departments are hereby authorized to reallocate existing positions between activities under their jurisdiction.

E. Departments will be allowed to retain all unexpended allocations and/or revenues as defined by the County Manager.

F. Reinventing Departments may create or abolish positions which impact the outcomes approved by the Board of Commissioners and within available revenues upon summary approval of the Board of Commissioners. Approval will come at the next regularly scheduled Board of Commissioners' meeting and will be attached and approved as part of the minutes.

SECTION III

Tax Levy Rate

A tax rate of \$0.53 per \$100 of assessed valuation is hereby levied for Fiscal Year 2011/12, all of which is levied in the General Fund. No discounts will be allowed for early payment of taxes.

The following rates are levied for volunteer fire districts:

<u>Volunteer Fire Department</u>	<u>Tax Rate Per \$100 Valuation</u>
Bandys	\$0.0600 (revenue neutral - \$0.05790)
Catawba	\$0.0700 (revenue neutral - \$0.06520)

Claremont	\$0.0700 (revenue neutral - \$0.06840)
Conover Rural	\$0.0700 (revenue neutral - \$0.06570)
Cooksville	\$0.0517 (revenue neutral - \$0.04890)
Hickory Rural	\$0.0700 (revenue neutral - \$0.06770)
Longview	\$0.0546 (revenue neutral - \$0.05490)
Maiden	\$0.0600 (revenue neutral - \$0.05720)
Mountain View	\$0.0600 (revenue neutral - \$0.05860)
Newton	\$0.0700 (revenue neutral - \$0.06800)
Oxford	\$0.0558 (revenue neutral - \$0.05450)
Propst	\$0.0615 (revenue neutral - \$0.05930)
Sherrills Ford - Terrell	\$0.0700 (revenue neutral - \$0.07060)
St. Stephens	\$0.0700 (revenue neutral - \$0.06770)

SECTION IV

Hospital Fund

The Catawba Valley Medical Center Board of Trustees is hereby required to submit a monthly copy of its financial statements to the County Finance Director that will include a budget to actual comparison of all expenses and revenues.

The Hospital maintains a balance of not less than \$4 million with the County, in the Hospital Capital Reserve Fund, to finance and construct major Hospital capital projects. This Fund is intended to be used primarily to finance and construct major Hospital capital projects. However, in an emergency situation, with written request of the Hospital, the County may, in its discretion, permit amounts on deposit in the Fund to be extended for any lawful purpose including payment of operating expenses of the Hospital. As long as a \$4 million balance in the Fund is maintained, monthly depreciation payments from the Hospital are not required. Monthly payments of \$50,000 will be required any time such \$4 million balance is not maintained.

Catawba Valley Medical Center is public non-profit hospital and an entity or component unit of Catawba County Government. The County owns the assets but the Hospital is not a line department of the County and therefore is not included in the County budget. The Hospital is authorized to operate as an enterprise fund.

SECTION V

Schools' Current Expense

The allocation of general revenues for the schools' current expense is \$1,433 per pupil based on the average daily membership of K-12. This amount includes \$52 per pupil to operate the following inter-school system programs--Catawba County Bus Garage, Catawba Valley High School, Conover School for Exceptional Children, the Newton-Conover ACT Program, and the Community Schools Program.

It is recommended that the three county school systems appropriate from their estimated fund balance an amount not to exceed 5% of the current expense fund for the purpose of establishing a contingency account.

In accordance with the School Budget and Fiscal Control Act, each Board of Education is required to submit to the Board of Commissioners, as soon as adopted, a copy of the School Board's budget resolution. The school finance officer will submit a quarterly statement of the financial condition of the Administrative unit to the Board of Commissioners.

SECTION VI
Capital Projects and Grants

Project Managers will be designated on a project-by-project basis for all County construction projects and the procedures set forth in "Architectural Procedures – Catawba County", adopted by the Board of Commissioners shall be used to coordinate the efforts of all parties involved in a project. Any changes in the estimate, as a result of bids or otherwise, shall be reported by the Project Managers and carry his or her recommendation of approval to the Board of Commissioners prior to the advertising of bids. When compiled and approved by user agencies, all projects must conform to the Catawba County Design and Construction Specifications.

In accordance with the School Budget and Fiscal Control Act each school system will submit to the County Budget Manager detailed project sheets for each capital project included in this budget on sheets as specified in the "Uniform Budget" format, by January 1, 2011.

The General Capital Projects Fund, the Hospital Construction Fund, the Water and Sewer Fund, the School Capital Outlay Fund, the School Bond Capital Projects Fund, the Schools' Construction Fund, the Fire Districts Funds, and the CDBG Scattered Site Housing Fund are hereby authorized. Appropriations made for the specific projects or grants in these funds are hereby appropriated until the project is completed.

Any grant or capital project budget previously adopted, the balance of any anticipated, but not received, revenues and any unexpended appropriations remaining on June 30th, 2011, shall be reauthorized in the 2011/12 budget unless a specific new budget has been prepared.

SECTION VII
Emergency Approvals, Schools

Emergency transfers to and from the School Capital Outlay Fund shall be in accordance with the School Budget and Fiscal Control Act.

SECTION VII
Annual Financial Reports

All agencies receiving County funding are required to submit an audit report by December 31st, 2011. Approved payments may be delayed pending receipt of this financial information.

SECTION IX
Fees and Licenses

Charges for fees and licenses by Catawba County Departments or Agencies shall be in accordance with the fee policy. Fee changes to be adopted by the Board of Commissioners are set forth in the attached Schedule A.

SECTION X
Per Diem Pay

The Board of Commissioners and members of County boards are authorized to receive per diem pay as follows:

Alcoholic Beverage Control Board – Chair, \$75 per meeting; Members, \$50 per meeting
Board of Adjustment – Chair, \$50 per meeting; Members, \$35 per meeting
Board of Commissioners – Chair, \$950 per month; Members, \$750 per month; In-County Travel Allowance, \$250 per month
Board of Elections – Chair, \$75 per meeting; Members, \$50 per meeting; \$100 for Election Day
Equalization & Review Board – Chair, \$50 per meeting; Members, \$35 per meeting
Hospital Board of Trustees - Chair, \$75 per meeting; Members, \$50 per meeting
Library Board – Chair \$50 per meeting; Members, \$35 per meeting
Mental Health Board – Chair, \$60 per meeting; Members, \$40 per meeting
Planning Board – Chair, \$50 per meeting; Members, \$35 per meeting
Public Health Board – Chair, \$50 per meeting; Members, \$35 per meeting
Social Services Board – Chair, \$50 per meeting; Members, \$35 per meeting
Subdivision Review Board – Chair, \$50 per meeting; Members, \$35 per meeting
Value Review Committee – Chair \$50 per meeting; Members \$35 per meeting

SECTION XI

Personnel

A. Salaries - Salaries for Fiscal Year 2011/12 are based on the Fiscal Year 2011/12 pay plan for Catawba County that is adopted as a part of this budget and is effective July 1st, 2011. Funds are included for a 1 percent Performance Pay and a \$300 Lump Sum (added to base pay) for employees who satisfy the performance expectations for their position as reflected in employees' individual annual performance evaluation.

B. Merit Payments - Funds are allocated in the budget to provide merit payments. The County Manager is instructed to prepare a plan for the administration of merit payments for exceptional performance to be effective during the Fiscal Year 2011/12 and to communicate said policy to all department directors and administer the plan. Funds are included for Performance Pay for employees to recognize top performers. These additional salary increases will be effective June 1, 2012, and will be distributed based on employees' individual performance evaluation scores and the budgeted funding.

C. Travel Allowance - The travel allowance rate will be according to the IRS reimbursement rate.

D. Special Payment - Positions that require specialized skills may be compensated by a special payment. This payment will only occur while the employee is serving in that capacity. This special payment is not considered a part of the annual base pay for classification. The amount of special payment is to be approved by the County Manager upon a recommendation by the Personnel Director.

SECTION XII

Budget Policy for State and Federal Fund Decreases

It will be the policy of this Board that it will not absorb any reduction in State and Federal funds; that any decrease shall be absorbed in the budget of the agency by reducing personnel or department expenditures to stay within the County appropriation as authorized.

This policy is extended to any agency that is funded by the County and receives State or Federal money. This shall remain in effect until otherwise changed or amended by the Board of Commissioners. The County Manager is hereby directed to indicate this to each of the agencies that may be involved.

SECTION XIII Reappraisal Fund

In accordance with the provisions of G.S. 153A-150, an appropriation of \$371,643 will be made from the General Fund to the Reappraisal Fund for the purpose of providing funds for the next reappraisal.

SECTION XIV Fiscal Control Act

The Budget Manager and the Finance Director are hereby directed to make any changes in the budget of fiscal practices that are required by the Local Government and Fiscal Control Act. This shall extend to permitted consolidations of funds and "Single Tax Levies" permitted in the Fiscal Control Act.

A. As provided by G.S. 159-25 (b), the Board has authorized dual signatures for each check or draft that is made on County funds. The signatures of the County Manager, Finance Director, Assistant County Manager, and Assistant Finance Director shall be authorized signatures of the County.

B. Operating funds encumbered on the financial records of the County as of June 30th, 2011, are hereby reappropriated to this budget.

C. The Board authorizes the appropriation of all Fund Balances earned by the Reinventing Departments as determined by the County Manager and as a result of the County's annual audit of June 30th, 2011.

D. The Board also authorizes (as is the practice) one principal account as depository for all funds received by the Finance Director from any source. Current accounting techniques shall be used to assure that all funds will be properly accounted for in the financial records of the County.

SECTION XV Authorization to Contract

The County Manager or his designee are hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Board of Commissioners, for the following purposes: 1) Form grant agreements to public and non-profit organizations; 2) Leases of routine business equipment; 3) Consultant, professional, or maintenance service agreements; 4) Purchase of supplies, materials, or equipment where formal bids are not required by law; 5) Applications for and agreements for acceptance of grant funds from Federal, State, public, and non-profit organization sources, and other funds from other government units, for services to be rendered which have been previously approved by the Board; 6) Construction or repair projects; 7) Liability, health, life, disability, casualty, property, or other insurance or performance bonds other than similar items required by the Sheriff or Register of Deeds; and 8) Other administrative contracts which include agreements adopted in accordance with the directives of the Board of Commissioners.

SECTION XVI**Authorization to Award and Reject Bids**

Pursuant to General Statute 143-129, the County Manager is hereby authorized to award formal bids received in amounts less than \$250,000 within the following guidelines: 1) bid is awarded to the lowest responsible bidder; 2) sufficient funding is available within the departmental budget; and 3) purchase is consistent with the goals and/or outcomes of the department. The County Manager shall further be authorized to reject any and/or all bids received if it is in the best interest of Catawba County. A report shall be made to the Catawba County Board of Commissioners of all bids awarded or rejected under this section and entered in the minutes of its formal sessions.

This ordinance is adopted this 6th day of June 2011.

REVENUE SUMMARY

	Actual 2009/10	Current 2010/11	Recommended 2011/12	% Change
Property Tax	\$80,274,374	\$79,853,682	\$80,833,166	1.23%
Fire District Taxes	4,423,236	4,452,014	4,581,334	2.90%
	\$84,697,610	\$84,305,696	\$85,414,500	1.32%
Sales Tax	\$26,692,186	\$25,638,614	\$26,091,865	1.77%
Other Taxes	\$720,323	\$729,814	\$676,765	-7.27%
Intergovernmental				
Federal	\$11,263,763	\$10,684,421	\$11,148,256	4.34%
State	11,892,031	9,301,305	10,156,070	9.19%
Federal & State	11,649,732	11,756,036	11,431,882	-2.76%
Local	7,223,307	7,585,902	7,115,191	-6.21%
	\$42,028,833	\$39,327,664	\$39,851,399	1.33%
Permits & Fees	\$21,697,270	\$22,388,360	\$21,566,760	-3.67%
Miscellaneous	\$5,114,805	\$2,633,834	\$2,853,228	8.33%
Fund Balance				
General Fund	\$0	\$8,199,081	\$5,244,348	-36.04%
Other Funds	0	2,502,083	1,969,889	-21.27%
	\$0	\$10,701,164	\$7,214,237	-32.58%
Transfers to Other Funds	\$9,572,437	\$7,544,539	\$4,349,061	-42.35%
Fines & Forfeitures	\$892,179	\$1,006,755	\$1,005,508	-0.12%

Other Sources	\$1,949,597	\$8,233,263	\$7,791,523	-5.37%
TOTAL:	\$193,365,240	\$202,509,703	\$196,814,846	-2.81%

EXPENDITURE SUMMARY

	Actual 2009/10	Current 2010/11	Recommended 2011/12	% Change
GENERAL FUND				
General Government	6,637,547	7,556,222	7,503,369	-0.70%
Transfers to Other Funds	6,939,143	7,000,386	4,292,449	-38.68%
Public Safety	23,767,451	24,623,303	24,443,401	-0.73%
Environmental Quality	469,016	505,841	491,126	-2.91%
Economic & Physical Development	10,909,483	11,140,492	11,662,505	4.69%
Human Services	50,878,681	53,206,759	52,177,196	-1.94%
Schools Current Expense	38,606,716	39,809,664	39,753,652	-0.14%
Libraries & Culture	2,758,664	2,693,388	2,621,625	-2.66%
Debt Service	18,376,503	21,565,176	19,403,145	-10.03%
	159,343,204	\$168,101,231	\$162,348,468	-3.42%
OTHER GENERAL FUND TYPES				
Self Insurance Fund	\$4,508,154	\$4,479,800	\$3,876,650	-13.46%
Reappraisal Fund	409,777	474,785	397,643	-16.25%
Register of Deeds Automation & Preservation	68,860	73,751	71,501	-3.05%
	\$4,986,791	\$5,028,336	\$4,345,794	-13.57%
SPECIAL REVENUE FUNDS				
Emergency Telephone System Fund	\$304,878	\$1,056,800	\$587,345	-44.42%
Citizens' Alert System	56,012	56,806	56,577	-0.40%
Narcotics Seized Fund	8,000	56,000	108,487	93.73%
				-
Capital Reserve Fund	86,288	155,322	0	100.00%
Hospital Reserve Fund	106,487	0	0	0.00%
Rescue Squads Fund	840,883	1,093,601	982,158	-10.19%

Library Endowment Fund	0	0	0	0.00%
Gretchen Peed Scholarship Fund	800	7,500	7,500	0.00%
Parks/Historic Preservation Trust Fund	0	0	0	0.00%
Community Development Fund	70,989	0	0	0.00%
Fire District Funds	4,266,599	4,622,549	4,763,375	3.05%
	\$5,740,936	\$7,048,578	\$6,505,442	-7.71%
CAPITAL PROJECT FUNDS				
General Capital Projects	\$1,354,205	\$6,952,036	\$5,240,026	-24.63%
Water & Sewer Construction Fund	4,898,892	0	0	0.00%
Schools' Capital Fund	6,441,942	4,529,476	6,331,851	39.79%
Schools' Construction Fund	11,301,284	0	3,006,612	100.00%
School Bond Projects Fund	0	0	0	0.00%
Hospital Construction Fund	0	0	0	0.00%
	\$23,996,323	\$11,481,512	\$14,578,489	26.97%
ENTERPRISE FUND				
Solid Waste	(\$3,628,450)	\$6,109,221	\$5,912,619	-3.22%
Water and Sewer	5,650,428	4,740,825	3,124,034	100.00%
TOTAL	\$196,089,232	\$202,509,703	\$196,814,846	-2.81%

11. Departmental Report:

Nathan Huret of the Catawba County Economic Development Corporation presented a request for Board of approval to enter into an economic incentives agreement with Dalco Nonwovens, which is considering a \$9 million expansion at its existing manufacturing facility in Conover, which would retain 33 existing jobs and create 19 new jobs. Dalco Nonwovens needs to double its productive capabilities to supply growing demand from a diverse array of markets, including geotechnical, automotive, furnishings, industrial and agricultural. Even while operating 24 hours/7 days a week with four shifts, Dalco declines sizable opportunities daily due to limited production capacity. The company's expansion would double its productive output, investing approximately \$7.3 million to purchase a new nonwovens production line and an additional \$1.7 million for construction of 55,000 square feet of manufacturing and warehousing space and an expanded office. The average wage, including the 19 new positions, will exceed the average Catawba County wage of \$658 per week or \$34,216 annually.

Based on the condition of a total new investment of \$9 million, the retention of 33 existing employees and the creation of 19 new jobs, Dalco Nonwovens' enrollment and participation in the Education Matters program, and adhering to all North Carolina general statutes, a County incentive would be in the form of a performance based grant with a maximum payment of \$19,260 per year for 3 years (for a total maximum incentive of \$57,780) upon approval of a contract and the satisfaction of conditions of that contract. This amount was derived by determining the guaranteed investment and subsequent income stream to the County over a three year period and multiplying that figure by 40%. The ad valorem tax receipts on \$9 million equal \$144,450 over three years. This investment will net a positive payback to the County immediately, similar to paybacks used to determine grant involvement in other County projects. As with all incentives provided by the County, these incentives will be based on a contractual performance agreement which requires Dalco Nonwovens to meet minimum thresholds of investment and job creation each year prior to incentive payment by

the County. The agreement requires repayment should the investment and/or job creation amounts not be sustained.

Commissioner Hunsucker stated he was extremely pleased and excited to help an existing business in Catawba to expand and made a motion to approve the grant as follows:

Upon payment of ad valorem taxes by Company to County, County would, within sixty (60) days after receipt of proof of such payment, pay to Company an economic development incentive in an amount equal to 40 percent of the total tax revenue received by County attributable to all Improvements made by Company and certified by Company as required during CY1- CY3, up to a maximum amount of \$19,260 per year, or \$57,780 total. This grant would be paid to the Company in installments over three years and would be used to reimburse Company expenditures as eligible under NC General Statute 158-7.1(a). The Board also directs the County to negotiate a contract between the Company and the County under these terms and conditions.

The motion carried unanimously.

12. Attorney's Report:

County Attorney Debra Bechtel requested Board adopt a resolution authorizing its Chair, Kitty Barnes, to execute an assignment of a County tax foreclosure bid to Mr. Salvatore Matthew Toscano. On May 17, 2011, a tax foreclosure sale was held for parcel 3741-14-34-0489, further identified as 415 East 26th Street, Newton. There were no other bidders present and Catawba County was the last and highest bidder in the amount of \$4,500. North Carolina General Statute 105-376(a) authorizes the County to assign its bid at any time by private sale for not less than the amount of the bid once the upset period has closed. The upset bid period for this parcel ended on May 27, 2011, and no upset bids were filed. Mr. Salvatore Matthew Toscano is interested in having the County's bid assigned to him for the full bid price of \$4,500. Mr. Toscano's payment will cover all back taxes and costs expended by the County in the foreclosure process and put the property back on the County tax rolls.

Commissioner Hunsucker asked if the property had a residence on it and Ms. Bechtel indicated the property was vacant. Commissioner Isenhour made a motion to adopt the resolution and authorize the Chair to execute the necessary assignment. The motion carried unanimously. The following resolution applies:

RESOLUTION NO. 2011-

AUTHORITY FOR ASSIGNMENT OF BID BY CATAWBA COUNTY

WHEREAS, NCGS § 105-376, authorizes the taxing unit as a purchaser at a foreclosure sale; and

WHEREAS, NCGS § 105-376(a), authorizes the taxing unit to bid at a foreclosure sale conducted under NCGS § 105-374 or NCGS § 105-375 and to assign its bid at any time by private sale for not less than the amount of the bid; and

WHEREAS, at a tax foreclosure sale held on May 17, 2011 and conducted in accordance with NCGS § 105-375, In rem method of foreclosure, Catawba County was the last and highest bidder in the amount of \$4,500.00 for parcel 3741-14-34-0489, further identified as 415 East 26th Street in Newton, North Carolina; and

WHEREAS, on May 17, 2011 following the tax foreclosure sale, Catawba County was approached by Sal Toscano, desiring to purchase the subject property; and

WHEREAS, by assigning its bid to Sal Toscano, Catawba County will benefit by collecting the delinquent taxes owed for the subject property.

NOW, THEREFORE, the Catawba County Board of Commissioners does hereby authorize its Chair, Katherine W. Barnes, to execute the Assignment of Bid on its behalf for the above-referenced property, in accordance with NCGS § 105-376(a).

This the 6th day of June, 2011

13. **Manager's Report.**
County Manager Lundy requested the Board consider moving into closed session pursuant to North Carolina General Statute 143-318.11(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. Mr. Lundy stated he did not anticipate any action to be taken by the Board upon return to Open Session. Commissioner Hunsucker made a motion to move into closed session pursuant to GS 143-318.11(6). The motion carried unanimously and the Board moved into closed session at 10:06 a.m.
14. **Adjournment:** The Board returned to open session and no action was taken. Commissioner Beatty made a motion to adjourn at 10:21 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk